

United States
Department of
Agriculture



Federal Crop
Insurance
Corporation



Risk Management
Agency



Product
Administration
and Standards
Division

FCIC-25740
(01-2011)
FCIC-25740-1
(11-2011)

MUSTARD LOSS ADJUSTMENT STANDARDS HANDBOOK

2012 and Succeeding Crop Years

**UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250**

TITLE: MUSTARD LOSS ADJUSTMENT STANDARDS HANDBOOK	NUMBER: 25740 (01-2011) 25740-1 (11-2011)
EFFECTIVE DATE: 2012 and Succeeding Crop Years	ISSUE DATE: November 30, 2011
SUBJECT: Provides the procedures and instructions for administering the Mustard crop insurance program	OPI: Product Administration and Standards Division
	APPROVED: November 30, 2011 /S:/ Tim B. Witt Deputy Administrator for Product Management

REASONS FOR AMENDMENT

Major changes: See changes or additions in text which have been highlighted. Three stars (***) identify information that has been removed.

1. Subsection 4 C (4); Example 2: Clarified that pounds per acre allowed for replanting are entered in Section I - column 31, "Appraised Potential" on the claim form.
2. Subsection 4 C (4); Example 3: Corrected calculations.
3. Subsection 9 C; Replant PW Example: Changed Maximum allowable pounds from 175 lbs. to 88 lbs.
4. Subsection 9 C; Replant PW Example: Revised example to match Example 3 in Subsection 4 C (4).

MUSTARD LOSS ADJUSTMENT STANDARDS HANDBOOK

CONTROL CHART

Control Chart For: Mustard Loss Adjustment Standards Handbook						
	SC Page(s)	TC Page(s)	Text Page(s)	Reference Material	Date	Directive Number
Remove	1-4		7-8 47-48		01-2011 01-2011	FCIC-25740 FCIC-25740
Insert	1-2		7-8 47-48		11-2011 11-2011	FCIC-25740-1 FCIC-25740-1
Current Index	1-2	1-2	1-6 7-8 9-46 47-48	49-56	11-2011 01-2011 11-2011 01-2011 11-2011 01-2011	FCIC-25740-1 FCIC-25740 FCIC-25740-1 FCIC-25740 FCIC-25740-1 FCIC-25740

- (3) Acres being replanted must have been initially planted on or after the “Earliest Planting” date established by the SP;
- (4) Pounds per acre appraisal (or appraisal plus any appraisals for uninsured causes of loss) must be less than 90 percent of the pounds per acre production guarantee for the acreage the insured intends to replant (Refer to section 5, “Mustard Appraisals”);
- (5) Acreage replanted must be AT LEAST the lesser of 20 acres or 20 percent of the insured **planted** acreage for the unit as determined on the final planting date or within the late planting period if a late planting period is applicable (Any acreage planted after the end of the late planting period will not be included when determining if the 20 acres or 20 percent qualification is met. Refer to the LAM.); and
- (6) The AIP has given consent to replant.

In the Narrative of the claim form or on a Special Report, show the appraisal for each field or subfield and the calculations to document that qualifications for a replant payment have been met.

C. MAXIMUM REPLANTING PAYMENT

The maximum amount of the replanting payment per acre will be the LESSER OF:

- (1) The insured’s actual replanting cost;
- (2) The product of multiplying the maximum pounds allowed in the policy (175 pounds) by the insured’s price election, times the insured’s share in the crop; or
- (3) 20 percent of the per acre production guarantee times the insured’s price election times the insured’s share.
- (4) Compute the number of pounds per acre allowed for a replanting payment by dividing the maximum replanting payment by the price election. Show all calculations in the Narrative of the claim form or on a Special Report.

EXAMPLE 1

Owner/operator (100 percent share)

30.0 acres replanted

Insured’s actual cost to replant = \$18.00 per acre

Price election = \$0.15 per pound

20 % of the prod. guar. (650 pounds x 20%) = 130 lbs. x \$0.15 (price election) x 1.000 (share) = \$19.50 per acre

175 pounds (maximum pounds allowed in the policy) x \$0.15 (price election) x 1.000 (share) = \$26.25 per acre

The lesser of \$18.00, \$19.50 and \$26.25 is \$18.00

Actual pounds per acre allowed = 120 pounds (\$18.00 ÷ \$0.15)

Enter the number of pounds per acre allowed (120 lbs.) in Section I - column 31, "Appraised Potential" of the claim form. Enter the replant calculations in the Narrative of the claim form.

EXAMPLE 2

Landlord/tenant (50/50 share)

30.0 acres replanted

Insured's actual cost to replant = \$9.00 per acre

Price election = \$0.15 per pound

20 % of the prod. guar. (650 pounds x 20%) = 130 pounds x \$0.15 (price election) x 0.500 (share) = \$9.75 per acre

175 pounds (maximum pounds allowed in policy) x \$0.15 (price election) x 0.500 (share) = \$13.13 per acre

The lesser of \$9.00, \$9.75 and \$13.13 is \$9.00

Actual pounds per acre allowed = 60 pounds (\$9.00 divided by \$0.15)

Enter 60 pounds in Section I - column 31, "Appraised Potential" on the claim form.

Enter the number of pounds allowed (60 lbs.) if share has been applied, or the number of pounds allowed (120 lbs.) if share has yet to be applied in Section I, column 31, "Appraised Potential" of the claim form. (Follow individual AIP guidelines). Indicate in the "Narrative" if the pounds allowed have/have not been reduced for share on the claim form according to AIP guidelines. Enter the replant calculations in the Narrative of the claim form.

EXAMPLE 3

Owner/operator (100 percent share) with multiple contracts on the unit

Approved yield = 1,000 lbs./acre

Coverage level = 65%

Guarantee per acre = 1000 lbs. x 65% = 650 pounds

Insured planted acres = 100 acres

Two processor contracts on the unit

- Contract #1 – 60,000 pounds at \$.15 per pound
- Contract #2 – 40,000 pounds at \$.10 per pound

Insurable acres for each contract (as determined by the Mustard Crop Provisions)

- Contract #1 – 60,000 pounds ÷ 1,000 pounds = 60 acres
- Contract #2 – 40,000 pounds ÷ 1,000 pounds = 40 acres

Take the pounds in contract #1 divided by the total pounds contracted to determine the percent of acres to allocate to this contract. Use the same process to determine the percent to be allocated to contract #2. Then multiply the percent established above by the replanted acres to determine the number of replanted acres to be allocated to each contract.

- Contract #1 – 60,000 pounds ÷ 100,000 pounds = 60%
- Contract #2 – 40,000 pounds ÷ 100,000 pounds = 40%

PRODUCTION WORKSHEET

1. Crop/Code # MUSTARD 0069	2. Unit # 0001-0001 BU	3. Location Description SW1-96N-3W	7. Company Agency	ANY COMPANY ANY AGENCY	8. Name of Insured I.M. INSURED
4. Date(s) of Damage JUN 10	5. Cause(s) of Damage HAIL	6. Insured Cause % 100	12. Additional Units	13. Est. Prod. Per Acre	9. Claim # XXXXXXXX
					11. Crop Year YYYY
					10. Policy # XXXXXXXXXX
					14. Date(s) Notice of Loss
					1st MM/DD/YYYY
					2nd MM/DD/YYYY
					Final MM/DD/YYYY
					15. Companion Policy(s) NONE

SECTION I – DETERMINED ACREAGE APPRAISED, PRODUCTION AND ADJUSTMENTS

A. ACTUARIAL

16.	17.	18.	19.	20.	21.	22.	23.	24.	25.	26.	27.	28.	29.	30.
Field ID	Multi-Crop Code	Reported Acres	Determined Acres	Interest or Share	Risk	Type	Class	Sub-Class	Intended Use	Irr Practice	Cropping Practice	Organic Practice	Stage	Use of Acreage
A			30.0	1.000		009					003		R	REPLANTED
			70.0	1.000		009					003		NR	NOT REPLANTED
39. TOTAL			100.0	40. Quality: TW <input type="checkbox"/> KD <input type="checkbox"/> Aflatoxin <input type="checkbox"/> Vomitoxin <input type="checkbox"/> Fumonisin <input type="checkbox"/> Garlicky <input type="checkbox"/> Dark Roast <input type="checkbox"/> Sclerotinia <input type="checkbox"/> Ergoty <input type="checkbox"/> CoFo <input type="checkbox"/> Other <input type="checkbox"/> None <input type="checkbox"/> 41. Mycotoxins exceed FDA, State or other health organization maximum limits? Yes <input type="checkbox"/>										

B. POTENTIAL YIELD

31.	32a. 32b.	33.	34.	35.	36.	37.	38.
Appraised Potential	Moisture % Factor	Shell %, Factor, or Value	Production Pre QA	Quality Factor	Production Post QA	Uninsured Causes	Total to Count
120			3,600		3,600		3,600
42. TOTALS			3,600		3,600		3,600

NARRATIVE (If more space is needed, attach a Special Report) Example above shows allowance when the actual cost and/or 20% of the production guarantee is LESS than the maximum allowance. Insured's actual cost to replant - \$18.00/acre. Price election - \$0.15. \$18.00 ÷ \$0.15 = 120 lbs. 650 lbs./acre x 20% = 130 lbs./acre (both less than 175 lbs. maximum allowed). Appraised potential less than 90% of the production guarantee (650 x 90% = 585 lbs./acre). Field A appraised potential = 313 lbs./acre. Total acreage from FSA permanent field measurement. Field A wheel measured. See attached Special Report for measurements and calculations. (Refer to section 4 C, Example 1)

SECTION I – DETERMINED ACREAGE APPRAISED, PRODUCTION AND ADJUSTMENTS

A. ACTUARIAL

16.	17.	18.	19.	20.	21.	22.	23.	24.	25.	26.	27.	28.	29.	30.
Field ID	Multi-Crop Code	Reported Acres	Determined Acres	Interest or Share	Risk	Type	Class	Sub-Class	Intended Use	Irr Practice	Cropping Practice	Organic Practice	Stage	Use of Acreage
A			30.0	.500		009					003		R	REPLANTED
			70.0	.500		009					003		NR	NOT REPLANTED
39. TOTAL			116.0	40. Quality: TW <input type="checkbox"/> KD <input type="checkbox"/> Aflatoxin <input type="checkbox"/> Vomitoxin <input type="checkbox"/> Fumonisin <input type="checkbox"/> Garlicky <input type="checkbox"/> Dark Roast <input type="checkbox"/> Sclerotinia <input type="checkbox"/> Ergoty <input type="checkbox"/> CoFo <input type="checkbox"/> Other <input type="checkbox"/> None <input type="checkbox"/> 41. Mycotoxins exceed FDA, State or other health organization maximum limits? Yes <input type="checkbox"/>										

B. POTENTIAL YIELD

31.	32a. 32b.	33.	34.	35.	36.	37.	38.
Appraised Potential	Moisture % Factor	Shell %, Factor, or Value	Production Pre QA	Quality Factor	Production Post QA	Uninsured Causes	Total to Count
60.0			1,800		1,800		1,800
42. TOTALS			1,800		1,800		1,800

NARRATIVE (If more space is needed, attach a Special Report) Example above shows allowance when the actual cost and/or 20% of the production guarantee is LESS than the maximum allowance. Insured's actual cost to replant - \$9.00/acre. Price election - \$0.15. \$9.00 ÷ \$0.15 = 60 lbs. 650 lbs./acre x 20% x 50% share = 65 lbs./acre (both less than 88 lbs. maximum allowed). Appraised potential less than 90% of the production guarantee (650 x 90% = 585 lbs./acre). Field A appraised potential = 313 lbs./acre. Total acreage from FSA permanent field measurement. Field A wheel measured. See attached Special Report for measurements and calculations. (Refer to section 4 C, Example 2)

This form example does not illustrate all required entry items (e.g., signatures, dates, etc.).

PRODUCTION WORKSHEET

1. Crop/Code # MUSTARD 0069		2. Unit # 0001-0001 BU		3. Location Description SW1-96N-3W		7. Company Agency		ANY COMPANY		ANY AGENCY		8. Name of Insured I.M. INSURED											
4. Date(s) of Damage JUN 10		5. Cause(s) of Damage HAIL		6. Insured Cause % 100		12. Additional Units		13. Est. Prod. Per Acre				9. Claim # XXXXXXXX					11. Crop Year YYYY						
10. Policy #										XXXXXXXXXX													
14. Date(s)		1st		MM/DD/YYYY		2nd		Final		15. Companion Policy(s) NONE													
SECTION I – DETERMINED ACREAGE APPRAISED, PRODUCTION AND ADJUSTMENTS																							
A. ACTUARIAL															B. POTENTIAL YIELD								
16.	17.	18.	19.	20.	21.	22.	23.	24.	25.	26.	27.	28.	29.	30.	31.	32a.	32b.	33.	34.	35.	36.	37.	38.
Field ID	Multi-Crop Code	Reported Acres	Determined Acres	Interest or Share	Risk	Type	Class	Sub-Class	Intended Use	Irr Practice	Cropping Practice	Organic Practice	Stage	Use of Acreage	Appraised Potential	Moisture % Factor	Shell %, Factor, or Value	Production Pre QA	Quality Factor	Production Post QA	Uninsured Causes	Total to Count	
A1			18.0	1.000		009					003		R	REPLANTED	120			2160		2160		2160	
A2			12.0	1.000		009					003		R	REPLANTED	130			1560		1560		1560	
			70.0	1.000		009					003		NR	NOT REPLANTED									
39. TOTAL			100.0	40. Quality: TW <input type="checkbox"/> KD <input type="checkbox"/> Aflatoxin <input type="checkbox"/> Vomitoxin <input type="checkbox"/> Fumonisin <input type="checkbox"/> Garlicky <input type="checkbox"/> Dark Roast <input type="checkbox"/> Sclerotinia <input type="checkbox"/> Ergoty <input type="checkbox"/> CoFo <input type="checkbox"/> Other <input type="checkbox"/> None <input type="checkbox"/>											42. TOTALS		3720		3720		3720		
41. Mycotoxins exceed FDA, State or other health organization maximum limits? Yes <input type="checkbox"/>																							

NARRATIVE (If more space is needed, attach a Special Report) Example above shows allowance when there are multiple contract on the same unit, and the actual cost is less than 20% of the production guarantee or the maximum allowance on field A1 (contract for \$.15 per lb.), and 20% of the production guarantee is less than the actual cost or the maximum allowance on field A2 (contract for \$.10 per lb.). Insured's actual cost to replant - \$18.00/acre. Contract 1 - Price election - \$.15. \$18.00 ÷ \$.15 = 120 lbs. (650 lbs./acre × 20% = 130 lbs./acre. 175 lbs. policy maximum.) Contract 2 - Price election - \$.10. 650 lbs./acre × 20% = 130 lbs./acre. (\$18.00 ÷ \$.10 = 180 lbs. (175 lbs. policy maximum.) Appraised potential less than 90% of the production guarantee (650 × 90% = 585 lbs./acre) Fields A & B appraised potential = 313 lbs./acre. Total acreage from FSA permanent field measurement. Fields A1 & A2 wheel measured. See attached Special Report for measurements and calculations. (Refer to section 4 C, Example 3)